

## Message Text

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ACTION STR-07

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00  
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02  
OMB-01 DOE-11 /117 W  
-----005246 071507Z /53

P 071457Z MAR 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 6862  
INFO AMEMBASSY BELGRADE

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USMTN

ACTION STR

STR PASS CODEL

EO 11652: N/A  
TAGS: MTN, ETRD, YO  
SUBJECT: BILATERAL CONSULTATION WITH YUGOSLAVIA

1. SUMMARY: MTN DEL MET WITH YUGOSLAV DEL (TOMIC) ON MARCH 2 TO DISCUSS US OFFER. TOMIC STATED WELL KNOWN LDC POSITION THAT CONTRIBUTIONS WOULD NOT BE MADE UNTIL END OF THE NEGOTIATION, BUT INDICATED THAT INFORMAL PRODUCT SPECIFIC DISCUSSIONS COULD BE HELD AS SOON AS INSTRUCTIONS WERE RECEIVED FROM BELGRADE. END SUMMARY.

2. MTN DEL (GRAEF, CASSIDY COOPER) OUTLINED VALUE OF US TARIFF OFFER TO YUGOSLAV DEL (TOMIC) DRAWING FROM A SURVEY OF TARIFF LINES WHERE YUGOSLAVIA HAD 5 PERCENT OR MORE MARKET SHARE AND AT LEAST \$100,000 TRADE IN 1976.

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FULL TRADE ACT AUTHORITY OFFERED ON ITEMS TOTALING \$120 MILLION, FORMULA REDUCTIONS COVERING \$79 MILLION, AND EXCEPTIONS TAKEN ON \$33 MILLION.

3. FYI AMEMBASSY BELGRADE: FIGURES CITED ABOVE ARE BASED UPON THE US OFFER WHICH IS CLASSIFIED AS GATT "SECRET" AND, DUE TO SENSITIVITY OF THE OFFER, SHOULD NOT BE CITED IN

CONVERSATION WITH PRESS AND PRIVATE SECTOR CONTACT. END  
FYI.

4. MTN DEL INDICATED THAT MAINTENANCE OF US OFFER DEPENDENT ON CONTRIBUTIONS FROM COUNTRIES SUBSTANTIALLY BENEFITTING FROM OFFER, POINTED TO THE ITEMS ON WHICH YUGOSLAVIA WAS FIRST OR SECOND SUPPLIER (6 ITEMS, FULL AUTHORITY OFFERED, AND 4 ITEMS FORMULA REDUCTIONS OFFERED), AND INQUIRED AS TO STATUS OF YUGOSLAV OFFERS. TOMIC SAID THIS WAS UNDER STUDY IN BELGRADE, THAT YUGOSLAVIA WOULD NOT MAKE CONTRIBUTIONS UNTIL THE CONCLUSION OF THE NEGOTIATIONS, BUT THAT BILATERAL DISCUSSIONS COULD COMMENCE AFTER HE HAD RECEIVED INSTRUCTIONS.

5. CONVERSATION TURNED TO NON TARIFF MEASURES, SAFEGUARDS, AND FRAMEWORK IMPROVEMENT. FYI - TOMIC IS CHAIRMAN OF THE INFORMAL CAUCUS OF LDCS IN THE GATT ON MTN MATTERS. END FYI. TOMIC INDICATED THAT LDCS NOW HAD FORMED COMMON NEGOTIATING POSITIONS ON THESE MATTERS AND LAMENTED THAT DC APPROACHES WERE SO VARIED THAT NEGOTIATIONS BETWEEN DCs AND LDCS WOULD BE DIFFICULT. MTN DEL REPLIED THAT UNLIKE UNCTAD, MTN NEGOTIATIONS WERE NOT BETWEEN GROUPS AND THAT CONSIDERABLE INFORMAL BILATERAL CONTACT WAS NECESSARY TO NARROW GAPS. TOMIC SEEMED TO AGREE TO THE NEED FOR BOTH BILATERAL AND PLURILATERAL CONTACT.  
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6. COMMENT: TOMIC'S REMARKS ON COMMON LDC NEGOTIATING POSITIONS ARE TROUBLESOME BECAUSE COMMON POSITIONS RESULT IN MAXIMUM DEMANDS TO BRING ALL LDCS TOGETHER. HE MAY HOWEVER HAVE BEEN TRYING TO SIGNAL THAT A LEADERSHIP GROUP HAD BEEN FORMED TO MODERATE MORE STRIDENT LDC DEMANDS. OTHER LDCS HAVE INDICATED THAT A CORE GROUP HAS BEEN FORMED IN THE INTERESTS OF INCREASING LDC LEVERAGE, BUT THAT POLICY DIFFERENCES AMONG THEM PERSIST; FOR SAKE OF EXPEDIENCY CORE GROUP HAS "AGREED TO DISAGREE" ON THESE. BILATERAL CONTACTS ARE THEREFORE NOT RULED OUT AND WILL BE IMPORTANT IN INFLUENCING THE CORE GROUP. END COMMENT.

7. DRAFTED BY P.L. GRAEF. CULBERT

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETINGS, TRADE AGREEMENTS, MEETING REPORTS  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Review Markings:**  
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